

## ASSIGNMENT, SECURITY AND PLEDGE AGREEMENT

**THIS AGREEMENT, SECURITY AND PLEDGE AGREEMENT** (this "**Agreement**") is made as of \_\_\_\_\_, 2020 by and between 5TH STREET LOFTS LLC, a Minnesota limited liability company (referred to herein as "**Debtor**") and PREMIER BANK MINNESOTA, a Minnesota corporation, its successors and assigns (referred to herein as "**Secured Party**").

### RECITALS:

- A. Debtor and Secured Party have entered into a Loan Agreement of even date herewith (together with any amendment or modification thereto, the "**Loan Agreement**") pursuant to which Secured Party has agreed to extend (i) a closed-end multiple advance term loan in the amount of Ten Million Twenty Thousand Dollars (\$10,020,000.00) (the "**First Loan**") to Debtor, as evidenced by that certain Promissory Note of even date herewith from Debtor to Secured Party in the original principal amount of Ten Million Twenty Thousand Dollars (\$10,020,000.00) (together with any amendment or modification thereto, the "**First Note**"); and (ii) a closed-end multiple advance term loan in the amount of Nine Hundred Thousand Dollars (\$900,000.00) (the "**Second Loan**") to Debtor, as evidenced by that certain Promissory Note of even date herewith from Debtor to Secured Party in the original principal amount of Nine Hundred Thousand Dollars (\$900,000.00) (together with any amendment or modification thereto, the "**Second Note**");
- B. The First Loan and the Second Loan are sometimes collectively referred to herein as the "**Loans**" and the First Note and the Second Note are sometimes collectively referred to herein as the "**Notes**"; and
- C. To secure Debtor's obligations under the First Note, Debtor has executed and delivered to Secured Party that certain Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents of even date herewith (together with any amendment or modification thereto, the "**First Mortgage**") covering certain property owned by Debtor located in Rice County, Minnesota as more particularly described in the First Mortgage (the "**Mortgaged Property**"); and
- D. To secure Debtor's obligations under the Second Note, Debtor has executed and delivered to Secured Party that certain Mortgage, Security Agreement, Fixture Financing Statement and Assignment of Leases and Rents of even date herewith (together with any amendment or modification thereto, the "**Second Mortgage**") also covering the Mortgaged Property; and
- E. The Loan Agreement, the First Note, the Second Note, the First Mortgage, the Second Mortgage and all other documents evidencing or referencing one or both of the Loans are sometimes referred to herein collectively as the "**Loan Documents**"; and
- F. Pursuant to that certain TIF Assistance Agreement between the City of Northfield, Minnesota, a municipal corporation and political subdivision under the laws of the State of Minnesota (the "**City**") and Rebound / Stencil Development LLC, a Minnesota limited

liability company ("**Rebound Stencil Development**") dated October 1, 2019, as assigned by Rebound Stencil Development to Debtor pursuant to that certain Assignment of TIF Assistance Agreement between Rebound Stencil Development, as assignor, to Debtor, as assignee, dated February 18, 2020 (together with any amendment or modification thereto, the "**TIF Agreement**"), Debtor will receive from the City, among other things, payments of principal and interest on a Taxable Tax Increment Revenue Note (5th and Washington Project) (the "**TIF Note**") (which is defined in the TIF Agreement as the TIF Note) and other amounts (the "**TIF Note Payments**"), all pursuant to the terms of the TIF Agreement.

- G. To induce Secured Party to make each of the Loans, and to secure the payment of each of the Loans, Secured Party has required an assignment of the TIF Agreement and Debtor's right to receive the TIF Note Payments and all of its right, title and interest in and to the TIF Agreement and the TIF Note.

**NOW THEREFORE**, for and in consideration of the foregoing premises, and in order to induce Secured Party to extend each of the Loans to Debtor, and for other good and valuable consideration, the receipt and sufficiency whereof is hereby acknowledged and agreed, the parties hereto agree as follows:

1. **PRESENT PLEDGE AND ASSIGNMENT.** Pursuant to the provisions of the Uniform Commercial Code in effect within the State of Minnesota (the "**UCC**"), as security for each of the Loans, and to secure payment and performance of Debtor's obligations under each of the Loans, each of the Notes, the Loan Agreement, the First Mortgage, the Second Mortgage and the other Borrower Documents (as defined in the Loan Agreement), Debtor hereby transfers, assigns and grants to Secured Party a security interest in, pledges and conveys, to Secured Party: (i) all right, title and interest of Debtor in the TIF Note, including, any replacement notes, notes, promissory notes, bonds or tangible chattel paper issued pursuant to the TIF Agreement; (ii) all deposits, deposit accounts and the right to receive funds from said deposits and deposit accounts delivered to or held by or on behalf of the City or other public entity in connection with and/or pursuant to the TIF Note, the TIF Agreement and/or any other document entered into in connection with the TIF Note or the TIF Agreement; (iii) all right, title and interest of Debtor in the TIF Agreement; (iv) all right, title and interest of Debtor in the TIF Note Payments; (v) all right, title and interest of Debtor to receive payments of principal and interest, or proceeds or distributions of funds, under and/or pursuant to the TIF Agreement, the TIF Note Payments and/or the TIF Note; and (vi) all replacements, substitutions, repairs, and proceeds (the "**Proceeds**") relating to the items set forth in clauses (i)-(v) (hereinafter referred to as the "**Collateral**"), and all documents, ledger sheets, and files of Debtor relating to the Collateral. Proceeds include whatever is received by Debtor upon the sale, exchange, or other disposition of any item of Collateral. This Agreement shall constitute a perfect, absolute and present pledge and assignment in connection with which Debtor shall have delivered to Secured Party the Collateral documents endorsed and assigned to Secured Party. The payments under the TIF Agreement and under the TIF Note shall be paid directly to Secured Party for application to amounts owed on the Second Note, and then the First Note. If Debtor receives any payments under the TIF Agreement or on the TIF Note, Debtor shall immediately remit them to Secured Party. Notwithstanding the foregoing, Secured Party does not assume any

obligations under the TIF Agreement unless and until Secured Party assumes such obligations in writing signed on behalf of Secured Party.

2. REPRESENTATIONS AND WARRANTIES OF DEBTOR. Debtor represents and warrants that:

- a. Debtor is a Minnesota limited liability company and the address of Debtor's registered office is 1010 Dale Street North, Saint Paul, Minnesota 55117. Debtor has not used any trade name, assumed name, or other name except Debtor's name stated above;
- b. Debtor is the true and lawful, absolute owner of the Collateral and, except for this security interest, the Collateral is free and clear of any lien, security interest, or encumbrance;
- c. Debtor has the full right and title to assign and pledge the Collateral; there are no outstanding claims, assignments or pledges thereof; and there are no existing defaults under the Collateral documents on the part of makers thereof;
- d. Debtor is in compliance with the terms of the TIF Agreement;
- e. As of the date hereof, the City has not issued a TIF Note under and pursuant to the TIF Agreement or otherwise in favor of Debtor;
- f. There are no defenses, setoffs or counterclaims against or with regard to any amounts owing to Debtor pursuant to any TIF Note, TIF Note Payments or the TIF Agreement or the indebtedness evidenced thereby;
- g. The TIF Agreement has not been amended or modified in any respect and represents the entire agreement of the parties thereto as to all of the subject matters dealt with therein;
- h. The TIF Agreement remains in full force and effect; and
- i. Except for the financing statement filed in connection with this security interest, no financing statement covering the Collateral is on file in any public office.

3. COVENANTS OF DEBTOR. Debtor covenants and agrees that so long as any of the indebtedness evidenced by either of the Notes shall be outstanding and unsatisfied:

- a. Without providing at least thirty (30) days prior written notice to Secured Party, Debtor will not change its name, its place of business or, if more than one, chief executive office, or its mailing address or organizational identification number. Debtor will not change its type of organization, jurisdiction of organization or other legal structure;

- b. Debtor shall keep the Collateral: (i) free and clear of any lien, security interest or encumbrance, except for this security interest; and (ii) free from all tax liens;
- c. Debtor shall not amend, alter, cancel, modify or surrender the TIF Note, the TIF Note Payments or the TIF Agreement without the prior written consent of Secured Party;
- d. Debtor shall enforce or secure the performance of each and every obligation of the City in the TIF Agreement, the TIF Note Payments and the TIF Note; not borrow against, further pledge or assign any payments due under the TIF Agreement, the TIF Note Payments or the TIF Note; nor waive, excuse, condone or in any manner release or discharge the City from its obligations under the TIF Agreement, the TIF Note Payments or the TIF Note. Debtor shall provide Secured Party with copies of all notices or certificates sent or received by Debtor under the TIF Agreement or the TIF Note or otherwise relating to the TIF Note Payments;
- e. Debtor shall maintain and keep accurate records, books and accounts with respect to the Collateral and any money, accounts receivable, and other proceeds of any sale or other disposition, and give to Secured Party upon request, a full and complete accounting with respect to the Collateral and the money, accounts receivable, proceeds and business;
- f. Debtor shall permit Secured Party, through any representatives it may designate, at all reasonable times upon reasonable advance notice, to enter upon and inspect the Project (as defined in the TIF Agreement) to be constructed under the TIF Agreement (the "**Development Property**");
- g. Debtor shall join with Secured Party in preparing and filing at the appropriate offices one or more financing statements with regard to the Collateral complying with the UCC, in form satisfactory to Secured Party;
- h. Debtor shall do any additional acts as Secured Party may reasonably require for the purpose of more completely assuring to Secured Party its rights to the Collateral;
- i. At any time Debtor receives a notice of default under the TIF Agreement or the TIF Note, Debtor shall promptly report such notice of default to Secured Party;
- j. Debtor shall perform all of its obligations under the TIF Agreement with respect to the Project within the timeframes set forth in the TIF Agreement, shall fully comply with its obligations under the TIF Agreement, shall take any and all such action as is required or needed to cause the City to issue the TIF Note and to make the TIF Note Payments, and shall not waive, excuse, condone or in any matter release or discharge the City of its obligations under the TIF Agreement, the TIF Note Payments or the TIF Note;

- k. At the time the TIF Note is issued, Debtor will execute an Allonge Endorsement, in the form attached to this Agreement as Exhibit A, and deliver the original TIF Note and original executed Allonge Endorsement to Secured Party;
  - l. If Debtor shall at any time hold or acquire any replacement notes, notes, promissory notes, bonds or tangible chattel paper (a "**New Note**"), that comprise part of the Collateral, Debtor shall forthwith endorse, assign and deliver the same to Secured Party, accompanied by such instruments of transfer or assignment duly executed in blank as Secured Party may from time to time specify, including an Allonge Endorsement in the form attached to this Agreement as Exhibit A for such New Note;
  - m. Debtor shall procure from the City and deliver to Secured Party the Consent and Estoppel Certificate in the form attached to this Agreement as Exhibit B;
  - n. Debtor shall take no action to have the assessed market value of the Mortgaged Property reduced in any manner that would result in reduction or suspension of payments on the TIF Note; and
  - o. Debtor shall not take any action to terminate the TIF Agreement or the TIF Note for any reason whatsoever without first obtaining the express written consent of Secured Party.
4. SECURITY AGREEMENT. This Agreement constitutes a Security Agreement under the UCC and shall be governed by the UCC.
5. PAYMENTS OF THE TIF NOTE. To the extent not directly paid to Secured Party, Debtor agrees that should the City at any time pay any amounts due under the TIF Agreement or the TIF Note, Debtor will deposit or cause to be deposited with Secured Party the entire amount of such payment to be applied by Secured Party to pay amounts owed on the Second Note, and then the First Note.
6. AUTHORIZATION TO THE CITY. The City is hereby irrevocably authorized and directed to make payments under the TIF Agreement and under the TIF Note directly to Secured Party, to register the TIF Note in the name of the Secured Party and to recognize the claims of Secured Party or its registered assigns in accordance with Section 5.3 of the TIF Agreement without investigating the reason for any action taken or the validity of or the amount of indebtedness owing to Secured Party or its assigns and Debtor hereby irrevocably directs and authorizes the City to pay exclusively to Secured Party or its assigns from and after the date hereof, all sums due under the TIF Agreement and the TIF Note. To the extent such sums are paid to Secured Party or its assigns, Debtor agrees that the City shall have no further liability to Debtor for the same. The sole receipt by Secured Party or its assigns of any sum paid by the City shall be in discharge and release of that portion of any amount owed by the City. The City is intended to and shall be a third party beneficiary to the foregoing.

7. EVENTS OF DEFAULT. The occurrence of any of the following events shall constitute an event of default under this Agreement (individually, and, collectively, an "**Event of Default**"):
- a. Any failure by Debtor to fully and completely perform any of the duties or obligations of Debtor under this Agreement or any failure by Debtor to fully and completely observe, satisfy and comply with all terms, covenants and conditions of this Agreement.
  - b. Any representation or warranty of Debtor contained in this Agreement shall be untrue or misleading in any material respect.
  - c. Failure to pay when due any and all amounts due and owing under either of the Notes, either of the Mortgages or the Loan Agreement.
  - d. Any Event of Default under the TIF Agreement or the TIF Note, as such term is used therein.
  - e. Any Event of Default under the Loan Agreement, as such term is used therein.
8. REMEDIES. Upon the occurrence of an Event of Default under this Agreement:
- a. Secured Party may: (i) at its option, cure the Event of Default if it involves the payment of money (A) for insurance or taxes, assessments or other charges which Debtor has not paid in accordance with this Agreement; or (B) for the satisfaction or discharge of any lien, security interest or encumbrance upon the Collateral, in which event the amount of any payments shall be added to the indebtedness secured by this Agreement, shall be secured, and shall be payable by Debtor to Secured Party on demand; and (ii) at its option, declare the indebtedness secured by this Agreement and evidenced by the Notes to be immediately due and payable; and (iii) take possession of the Collateral without judicial process; and (iv) exercise any and all other rights and remedies accorded to it by the UCC. In the event that any notice is required to be given under the UCC, such requirements for reasonable notice shall be satisfied by giving at least ten (10) calendar days' notice prior to the event or thing giving rise to the notice requirement.
  - b. Debtor shall: (i) upon demand by Secured Party, assemble the Collateral and make it available to Secured Party, to which Secured Party shall have exclusive and unlimited access during the period it is exercising its rights and remedies under this Section 8; and (ii) pay to Secured Party on demand the reasonable expenses of Secured Party in retaking the Collateral, holding it, and, where it is to be disposed of, preparing it for sale and selling it, including the Secured Party's attorneys' fees and legal expenses incurred in connection with any retaking or sale; and (iii) upon demand by Secured Party (A) assign or endorse to Secured Party all Proceeds and accounts receivable resulting from the sale of any of the Collateral; and (B) deliver to Secured Party all Proceeds received from the sale of any of the Collateral.

- c. Secured Party may, after providing notice to the City if such notice has not already been provided to the City, instruct the City to make all TIF Note Payments to Secured Party and Secured Party shall have the right to apply all such TIF Note Payments to the indebtedness evidenced by the Notes.
  - d. Secured Party may elect to exercise any and all of Debtor's rights and remedies under the TIF Note or the TIF Agreement, without any interference or objection from Debtor, and Debtor shall cooperate in causing the City to comply with all of the terms and conditions of the TIF Note and the TIF Agreement.
  - e. Secured Party may exercise Debtor's rights under the TIF Note, and perform all acts in the same manner and to the same extent as Debtor might do. In connection with any and all of the foregoing powers, and without limiting the same, Secured Party may amend the TIF Note or the TIF Agreement (with the consent of the City) and make concessions to the City.
  - f. Secured Party may exercise Debtor's rights under the provisions of the TIF Agreement and perform all acts in the same manner and to the same extent as Debtor might do, solely as they relate to the Land and the Project (as defined in the Loan Agreement).
  - g. Except as evidenced in a written notice signed by Secured Party, no course of dealing between the parties or any delay on the part of Secured Party in exercising any rights shall operate as a waiver of any rights or remedies of Secured Party.
  - h. No remedy conferred upon Secured Party is intended to be exclusive of any other remedy.
9. AUTHORIZATION TO FILE FINANCING STATEMENTS. Debtor hereby irrevocably authorizes Secured Party at any time and from time to time to file in any filing office in any Uniform Commercial Code jurisdiction any initial financing statements and amendments thereto that (a) indicate the Collateral (i) as assets of Debtor or words of similar effect, regardless of whether any particular asset comprised in the Collateral falls within the scope of Article 9 of the UCC, or (ii) as being of an equal or lesser scope or with greater detail, and (b) provide any other information required by part 5 of Article 9 of the UCC, for the sufficiency or filing office acceptance of any financing statement or amendment, including whether Debtor is an organization, the type of organization and any organizational identification number issued to Debtor and. Debtor agrees to furnish any such information to Secured Party promptly upon Secured Party's request.
10. MISCELLANEOUS PROVISIONS.
- a. Notices. Any notices and other communications permitted or required by the provisions of this Agreement (except for telephonic notices expressly permitted)

shall be in writing and shall be given in accordance with the terms of the Loan Agreement.

- b. Additional Instruments. Debtor upon the request of Secured Party shall, at Debtor's expense, execute and deliver all assignments, certificates, financing statements or other documents and give further assurances and do all other acts and things as Secured Party may request to perfect or to realize upon Secured Party's interest in the Collateral or to protect, enforce, or otherwise effect Secured Party's rights and remedies. If Debtor is unable or unwilling to execute any such other assignments, certificates, financing statements or other documents and to file financing statements or other public notices or recordings with the appropriate authorities, as and when reasonably requested by Secured Party, and Debtor authorizes Secured Party to sign and deliver as its true and lawful agent and attorney-in-fact, coupled with an interest, any such assignment, certificate, financing statement or other document and to make any such filing.
- c. Successors and Assigns. All rights of Secured Party shall inure to the benefit of its successors and assigns, and all representations, warranties, covenants and obligations of Debtor shall bind its successors and assigns.
- d. Severability. It is the intent of this Agreement to confer to Secured Party the rights and benefits hereunder to the full extent allowable by law. The unenforceability or invalidity of any provisions hereof shall not render any other provision or provisions herein contained unenforceable or invalid. Any provisions found to be unenforceable shall be severable from this Agreement.
- e. Governing Law and Construction. THIS AGREEMENT, AND ALL MATTERS ARISING FROM THIS AGREEMENT INCLUDING, BUT NOT LIMITED TO, PROVISIONS RELATED TO LOAN CHARGES, ARE GOVERNED BY FEDERAL LAW, AND, TO THE EXTENT NOT PREEMPTED BY FEDERAL LAW, BY THE SUBSTANTIVE LAW OF THE STATE OF MINNESOTA. Whenever possible, each provision of this Agreement and any other statement, instrument or transaction contemplated hereby or relating hereto shall be interpreted in such manner as to be effective and valid under such applicable law, but, if any provision of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto shall be held to be prohibited or invalid under such applicable law, such provision shall be ineffective only to the extent of such prohibition or invalidity, without invalidating the remainder of such provision or the remaining provisions of this Agreement or any other statement, instrument or transaction contemplated hereby or relating hereto.
- f. Consent to Jurisdiction. Debtor submits and consents to personal jurisdiction of the court of the county in which the Development Property is located, the courts of Rice County, Minnesota and the courts of the United States of America sitting in such state or states for the enforcement of this instrument and waive any and all personal rights under the laws of any state or the United States of America to object



to jurisdiction or venue in such courts. Litigation may be commenced in such counties or in the United States District Court located in that state or states, at the election of Secured Party. Nothing contained herein shall prevent Secured Party from bringing any action in any other state or jurisdiction against any other person or exercising any rights against any security given to Secured Party or against Debtor personally, or against any property of Debtor, within any other state or jurisdiction. Commencement of any such action or proceeding in any other state or jurisdiction shall not constitute a waiver of consent to jurisdiction of or the submission made by Debtor to personal jurisdiction in any of such courts. In the event an action is commenced in another jurisdiction or venue under any tort or contract theory arising directly or indirectly from the relationship created by this Agreement, Secured Party, at its option, shall be entitled to have the case transferred to one of the jurisdictions and venues above described or any other jurisdiction, or if such transfer cannot be accomplished under applicable law, to have such case dismissed without prejudice.

- g. WAIVER OF JURY TRIAL. DEBTOR HEREBY ACKNOWLEDGES THAT THE TIME AND EXPENSE REQUIRED FOR TRIAL BY JURY OF ANY CONTROVERSY RELATED IN ANY WAY TO THIS AGREEMENT WOULD EXCEED THE TIME AND EXPENSE REQUIRED FOR A BENCH TRIAL, THEREFORE, DEBTOR AND SECURED PARTY HEREBY WAIVE, TO THE FULLEST EXTENT PERMITTED BY LAW, TRIAL BY JURY AND WAIVE ANY BOND OR SURETY OR SECURITY UPON SUCH BOND WHICH MIGHT, BUT FOR THIS WAIVER, BE REQUIRED OF EITHER PARTY.
  
- h. TERMINATION. If not sooner terminated by the written agreement of Debtor and Secured Party, this Agreement shall terminate upon the indefeasible payment in full of the First Loan and the Second Loan and all indebtedness incurred in connection therewith and Secured Party shall immediately deliver the TIF Note and an allonge endorsement of the TIF Note to, or at the direction (subject to Section 5.3 of the TIF Agreement) of, Debtor and simultaneously provide a copy thereof to the City. The City is intended to be and shall be a third party beneficiary of this Section 10.h.

*[Remainder of this page intentionally left blank]*

**IN WITNESS WHEREOF**, the parties have caused this Agreement to be executed on the date first above written.

**DEBTOR:**

5TH STREET LOFTS LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020, by \_\_\_\_\_, the \_\_\_\_\_ of **5TH STREET LOFTS LLC**, a Minnesota limited liability company, on behalf of said limited liability company.

\_\_\_\_\_  
Notary Public

*[Signature page to Assignment, Security and Pledge Agreement]*

**SECURED PARTY:**

**PREMIER BANK MINNESOTA**

By: \_\_\_\_\_

Casey O. Regan

Its: President and CEO

STATE OF MINNESOTA    )  
                                      ) ss.  
COUNTY OF \_\_\_\_\_)

The foregoing instrument was acknowledged before me this \_\_\_\_\_ day of \_\_\_\_\_, 2020 by **Casey O. Regan**, the President and CEO of **Premier Bank Minnesota**, a Minnesota corporation, on behalf of said corporation.

\_\_\_\_\_  
Notary Public

*[Signature page to Assignment, Security and Pledge Agreement]*

**EXHIBIT A**

**ALLONGE ENDORSEMENT TO  
UNITED STATES OF AMERICA  
STATE OF MINNESOTA  
COUNTIES OF RICE AND DAKOTA  
CITY OF NORTHFIELD, MINNESOTA  
TAXABLE TAX INCREMENT REVENUE NOTE  
(5TH AND WASHINGTON PROJECT)**

FOR VALUE RECEIVED, 5TH STREET LOFTS LLC, a Minnesota limited liability company, endorses, assigns and transfers with recourse to PREMIER BANK MINNESOTA, a Minnesota corporation, its successors and assigns, all right, title and interest in and to the following described TIF Note to be issued by the City of Northfield, Minnesota:

City of Northfield, Minnesota, Taxable Tax Increment Revenue Note (5th and Washington Project), in the original principal amount of \$\_\_\_\_\_ executed by the City of Northfield, Minnesota, a municipal corporation and political subdivision under the laws of the State of Minnesota, as maker, to 5TH STREET LOFTS LLC, a Minnesota limited liability company, as holder.

Dated this \_\_\_\_ day of \_\_\_\_\_, 202\_\_.

5TH STREET LOFTS LLC

By: \_\_\_\_\_

Its: \_\_\_\_\_

THIS ALLONGE IS TO BE AFFIXED TO THE NOTE DESCRIBED ABOVE

## EXHIBIT B

### CONSENT AND ESTOPPEL CERTIFICATE

THIS CONSENT AND ESTOPPEL CERTIFICATE (this "**Estoppel Certificate**"), is dated as of \_\_\_\_\_, 202\_\_, and is from the CITY OF NORTHFIELD, MINNESOTA, a municipal corporation and political subdivision under the laws of the State of Minnesota (the "**City**"), to PREMIER BANK MINNESOTA, a Minnesota corporation, its successors and assigns (the "**Lender**"). The City hereby agrees with Lender as follows:

1. Unless the context otherwise indicates, capitalized terms not otherwise defined herein shall have the definitions given such terms in that certain that TIF Assistance Agreement between the City and Rebound / Stencil Development LLC, a Minnesota limited liability company ("**Rebound Stencil Development**") dated October 1, 2019, as assigned by Rebound Stencil Development to 5TH STREET LOFTS LLC, a Minnesota limited liability company (the "**Debtor**") pursuant to that certain Assignment of TIF Assistance Agreement between Rebound Stencil Development, as assignor, to the Debtor, as assignee, dated February 18, 2020 (the "**TIF Agreement**"). The City acknowledges that, in exchange for developing the Project, the Debtor will receive from the City, among other things, that certain Taxable Tax Increment Revenue Note (5th and Washington Project) in the anticipated principal amount of up to \$1,800,000.00 (the "**TIF Note**"), to be dated when the requirements for issuance of the TIF Note in the TIF Agreement have been satisfied.
2. The City understands that the Lender is making (i) a closed-end multiple advance term loan to the Debtor in the maximum principal amount not to exceed at any one time of \$10,020,000.00 (the "**First Loan**"), and (ii) a closed-end multiple advance term loan to the Debtor in the principal amount of \$900,000.00 (the "**Second Loan**") (the First Loan and the Second Loan are sometimes collectively referred to herein as the "**Loans**"), each of which Loans are to be secured by, among other things, an Assignment, Security and Pledge Agreement dated \_\_\_\_\_, 2020 between the Debtor and the Lender (the "**Pledge Agreement**"). Pursuant to the Pledge Agreement, the Debtor granted to the Lender a security interest in, among other things: (i) all right, title, and interest of the Debtor in and to, including the right to receive payments under, the TIF Note, and (ii) all right, title and interest of the Debtor in the TIF Agreement, including the right to receive reimbursement for costs incurred to construct the Project referenced in the TIF Agreement. The Debtor has also, under the Pledge Agreement, assigned to the Lender its right to receive payments under the TIF Note.
3. The City understands that the Lender has required this Estoppel Certificate as a condition of making the Loans and that the Lender will rely on this Estoppel Certificate in connection therewith.
4. Subject to the receipt by the City of an Acknowledgment Regarding TIF Note in substantially the form attached as Exhibit 2 to the form of TIF Note, the City covenants, represents, and warrants to and agrees with the Lender as follows:

- a. That, to the actual knowledge of the undersigned, the Debtor is in compliance with all of the terms of the TIF Agreement;
  - b. That, to the actual knowledge of the undersigned, there are no defenses, setoffs, counterclaims against or with regard to the TIF Note or the TIF Agreement or the indebtedness evidenced thereby. The TIF Note has not been amended, and the TIF Agreement has not been amended.
  - c. That the TIF Note and rights to receive payments under the TIF Agreement have been assigned by the Debtor to the Lender;
  - d. That, until termination of the Pledge Agreement in accordance with Section 10.h thereof, the City will tender all payments due under the TIF Note, and any optional prepayments, either in whole or in part, to the Lender at the address set forth in Section 5 below or to such other address as may be designated by the Lender in writing delivered to the City;
  - e. That it hereby acknowledges and consents to the execution by the Debtor and delivery to the Lender of the Pledge Agreement, and to the liens and security interests created therein, as security for the Loans; and
  - f. The City agrees that a transfer of the Project or the Mortgaged Property (as each term is defined in the Pledge Agreement) by foreclosure or deed in lieu of foreclosure will not require prior City approval and that any such foreclosure or deed in lieu of foreclosure will terminate or suspend the City's obligations under the TIF Note. Any transfer from the Lender or the Lender's nominee to a third party purchaser will be subject to the City's approval as set forth in Section 5.3 of the TIF Agreement.
5. Until the termination of the Pledge Agreement, the City agrees to give the Lender a copy of each notice or demand given to the Debtor with respect to any breach or default by the Debtor in its obligations under the TIF Agreement at the same time such notice, demand or other communication is given to the Debtor under the TIF Agreement, addressed to the Lender, as follows:

Premier Bank Minnesota  
101 East 10<sup>th</sup> Street  
Hastings, Minnesota 55033  
Attention: Casey O. Regan

6. Until termination of the Pledge Agreement in accordance with Section 10.h thereof, the City agrees to accept a cure by the Lender of any default by the Debtor under the TIF Agreement within the cure periods provided in the TIF Agreement, but acknowledges that the Lender shall be under no obligation to cure any such default. No commencement of any performance by the Lender or any obligation of the Debtor required under the TIF

Agreement shall obligate the Lender to continue or complete such performance or otherwise perform any of the Debtor's obligations under the TIF Agreement.

7. Until termination of the Pledge Agreement in accordance with Section 10.h thereof, the City agrees to provide the Lender with notice of any modifications or amendments to be made to the TIF Agreement and the right to consent to such modifications or amendments. By acceptance hereof, the Lender acknowledges and agrees for the benefit of the City that such consent shall not be unreasonably withheld, conditioned or delayed.

*[Remainder of this page intentionally left blank]*

IN WITNESS WHEREOF, the undersigned officers of the City have executed this Estoppel Certificate as of the date and year first written above.

**CITY OF NORTHFIELD, MINNESOTA**

By: \_\_\_\_\_  
Its Mayor

By: \_\_\_\_\_  
Its City Clerk

STATE OF MINNESOTA    )  
  ) ss.  
COUNTY OF \_\_\_\_\_ )

The foregoing instrument was acknowledged before me this \_\_\_\_ day of \_\_\_\_\_, 2020 by \_\_\_\_\_ and \_\_\_\_\_, the Mayor and City Clerk, respectively, of the **City of Northfield, Minnesota**, a municipal corporation and political subdivision under the laws of the State of Minnesota, on behalf of the City.

\_\_\_\_\_  
Notary Public